

E-Mail ALPERSRU K/01

Subj: MGIB "K" ALLOTMENT TRANSACTION

Ref: (a) [ALCOAST 176/01](#)
(b) [SDA-II User Manual, HRSICINST M5231.2](#)

Introduction	This E-Mail ALPERSRU outlines procedures for the MGIB "K" allotment transaction.
---------------------	--

Background	Effective May 1, 2001, qualified members can increase their monthly MGIB benefits by contributing additional funds up to \$600. Additional background and policy information can be found in reference (a) .
-------------------	--

Allotment Rules	<p>PERSRUs must ensure the member has an active or completed contribution in JUMPS Segment 63 (purpose code "F"). If submitting "F" and "K" allotment start transactions in the same update cycle, the "K" allotment transaction must (a) have a later Effective Date than the "F" allotment transaction; and (b) not have a First Deduct date earlier than the "F" allotment transaction.</p> <p>Monthly deductions are made in increments of \$20 with a minimum contribution of \$20. The total additional contribution will not exceed \$600.</p>
------------------------	---

Transaction Procedures	<p>Per reference (b), only PERSRUs at CG TRACEN Cape May, CG Academy and NOAA can input "F" allotments. <u>All</u> PERSRUs have the capability to input a "K" allotment. The "K" allotment transactions require two additional entries that the "F" allotment does not require:</p> <ol style="list-style-type: none">1) Monthly deduction amount.2) Month of last deduction. <p>The "K" allotment transaction opens a <u>second</u> segment 63 in PMIS/JUMPS and contains an object code of D020G (officers) or D025G (enlisted).</p>
-------------------------------	---

Continued on Next Page

E-Mail ALPERSRU K/01

Subj: MGIB "K" ALLOTMENT TRANSACTION, Continued

Questions Questions may be directed to the HRSIC (MAS) Customer Service Team at 785-339-3540 (option 2) or via e-mail to hsrc-cst@hsrc.uscg.mil.

**Directives
Effected** MGIB "K" allotment procedures will be incorporated into the next changes to the following HRSIC manuals:

- SDA II User Manual, HRSICINST M5231.2
- Personnel and Pay Procedures Manual, HRSICINST M1000.2A

The Allotment worksheet ([CG HRSIC-2040](#)) (Rev. 04/01) lists the "K" allotment code. The form can be downloaded from our web site (<http://www.uscg.mil/hq/hsrc/MSWordForms.htm>).

Released by


H. W. HEINEKEN
Deputy Director

ALCOAST 176/01

COMDTNOTE 1760

SUBJ: MONTGOMERY GI BILL (MGIB) IMPROVEMENTS - PART II

A. THE VETERANS BENEFITS AND HEALTH CARE IMPROVEMENT ACT OF 2000 (PUBLIC LAW 106-419)

1. Effective May 1, 2001, ref (a) authorizes eligible MGIB participants to increase the monthly rate of educational benefits they will receive by making an additional contribution, at any time while on active duty, over and above their initial pay reduction of \$1200. All members who enter active duty in the future who participate in MGIB are also eligible for the additional contribution program and may contribute to both the basic MGIB program and this program at the same time. A maximum additional contribution of \$600 will provide an additional \$5400 of entitlement to those MGIB participants who use a full 36 months of benefits. This additional contribution equals a 9-to-1 return on investment, increasing the MGIB entitlement from \$650 a month for full-time students to a total of \$800.

2. Additional contributions can either be paid lump sum or by allotment, in increments of \$20 a month or more (20,40,60).

3. Eligible MGIB participants are only those members that elected to participate upon entering on active duty after June 30, 1985. Those individuals who were offered an opportunity to participate in the MGIB upon being involuntarily separated are not eligible to make any additional contributions.

4. **Important time limit** - Eligible MGIB participants discharged or released from active duty between November 1, 2000 and April 30, 2001 must elect to make contributions for additional benefits by July 31, 2001. Separated members are only allowed one lump sum contribution, up to \$600. HRSIC will notify those members already separated.

5. Members who declined MGIB when they first entered active duty are ineligible for benefits under this program. Contributions to both the basic MGIB program, and this new program, are non-refundable, unless the nature of the member's discharge authorizes a waiver of the obligated service requirement. MGIB contributions under the additional contribution program do not reduce a member's taxable wages; they are considered after-tax contributions.

6. Commanding officers and officers in charge shall ensure that the contents of this ALCOAST are brought to the attention of all members of their command. It is highly recommended that this information be disseminated through POWs, newsletters, all-hands meetings, etc.

7. The following procedures are implemented for eligible MGIB participants to make additional contributions.

- (1) Members electing to participate must complete [DD Form 2366](#), available at www.uscg.mil/hq/hrsic. The form must contain the following statement in the "Service Unique Education Assistance Options" Block: *"Authorized under PL 106-419 to contribute an Additional \$600 (maximum) toward my existing GI bill benefit. I understand the minimum contribution is \$20 increased by \$20 Increments. Contributions are non-refundable";*
- (2) either pay the contribution via allotment in \$20 increments or lump sum amount up to \$600 (must be divisible by 20);
- (3) the member shall sign the [DD Form 2366](#) in the block directly below Para. (13) on the form. The [DD Form 2366](#) shall be witnessed in block 5;
- (4) maintain a copy of this form, along with payment records, to verify decision to contribute. Eligibility to receive additional education benefits begins the next school term after making a contribution.

8. Enrollment in the additional contribution program shall be effected as follows:

- A. If the member desires to pay the additional contribution by allotment, the [DD Form 2366](#) shall be forwarded to the servicing PERSRU along with form [CG HRSIC-2040](#) (Allotment Worksheet). The following blocks on the [CG HRSIC-2040](#) shall be completed:

SSN,
Name,
Permanent Unit,
Purpose of Request,
Start Amount,
Month Of First Deduction,
Month of Last Deduction,
Allotment Type (show allotment type K),
Member's Signature, and Date.

The form, [CG HRSIC-2040](#), is available at www.uscg.mil/hq/hrsic.

- B. If the member desires to pay the additional contribution in lump sum, the [DD Form 2366](#), along with a check or money order payable to: "U.S. Coast Guard," shall be forwarded to HRSIC at the address shown below:

Attn: Collection Clerk
Commanding Officer (dc)
Uscg Human Resource Service & Information Center
444 SE Quincy St
Topeka, KS 66683-3591

In cases of lump sum payment, a copy of the [DD Form 2366](#) shall be forwarded to the servicing PERSRU for filing in the PERSRU PDR.

9. Detailed information on these and other education benefits provided by the dept of Veterans Affairs can be found at www.gibill.va.gov.

10. Questions about eligibility shall be referred to [MCPO Sid Eagerton](#), CGPC (epm-1), at (202) 267-1084. Questions concerning policy and procedures shall be referred to [MCPO Jeff Creighton](#), COMDT (G-WPM-1), at (202) 267-1636.

11. Internet release is authorized.

12. Released by RADM R. C. Olsen, Direct Of Personnel Management.